

PLEASE CLICK ON THE COUNTY OF LOS ANGELES SEAL  
TO RETURN TO THIS PAGE

[CLICK HERE FOR THE CHIEF EXECUTIVE OFFICER'S REPORT DATED DECEMBER 23, 2015](#)

[CLICK HERE FOR THE CHIEF EXECUTIVE OFFICER'S REPORT DATED JANUARY 15, 2016](#)

[CLICK HERE FOR THE DIRECTOR OF CONSUMER AFFAIRS REPORT DATED FEBRUARY 18, 2016](#)

[CLICK HERE FOR THE TREASURER AND TAX COLLECTOR'S REPORT DATED MARCH 25, 2016](#)

[CLICK HERE FOR THE CHIEF EXECUTIVE OFFICER'S REPORT DATED MAY 6, 2016](#)

[CLICK HERE FOR THE CHIEF EXECUTIVE OFFICER'S REPORT DATED AUGUST 1, 2016](#)

[CLICK HERE FOR THE DIRECTOR OF CONSUMER AFFAIRS REPORT DATED NOVEMBER 18, 2016](#)



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

December 23, 2015

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

Board of Supervisors

HILDA SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### REPORT ON RECOMMENDATIONS FOR STRATEGIES ON PUBLIC EDUCATION AND OUTREACH REGARDING THE NEW MINIMUM WAGE LAW, WAGE THEFT AND INFORMATION ON REMEDIES AVAILABLE TO VICTIMS OF WAGE THEFT (ITEM NO. 4, AGENDA OF NOVEMBER 17, 2015)

On November 17, 2015, a motion by Supervisors Solis and Ridley-Thomas directed the Chief Executive Officer (CEO) and the Director of Consumer and Business Affairs (DCBA) to report back on: 1) recommendations for specific strategies that focus on public education and outreach efforts that ensure to the greatest extent possible culturally competent and linguistically appropriate communication for the full diversity of County communities regarding the new minimum wage ordinance (MWO), the issue of wage theft, and information on remedies available to victims of this crime; and 2) the reasonable budget cost of such public education and outreach.

### Summary

Education and outreach is an essential component of an effective wage enforcement program. The DCBA has created a robust education and outreach campaign and strategy using the tagline, **"Honest Work, Fair Pay."** The strategic objectives are to: (1) raise awareness about the MWO; (2) educate employers to prevent violations of the MWO; (3) educate employees about their rights under the MWO and; (4) inform employees where they can receive assistance if they have been subjected to MWO violations. The DCBA's aim is to ensure that employers and employees understand their rights and responsibilities under the new MWO. DCBA's detailed plan is attached.

*"To Enrich Lives Through Effective And Caring Service"*

*Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only*

Each Supervisor  
December 23, 2015  
Page 2

In addition, DCBA will partner with the CEO's Countywide Communications team to implement an aggressive media campaign to ensure culturally competent communications and to reach a diverse audience.

### **Financing Requirements**

The proposed education and outreach plan is estimated to cost \$170,000. On November 17, 2015, the Board approved \$408,000 in fiscal year (FY) 2015-16 to implement the County Wage Enforcement Program. This funding will allow DCBA to expand existing programs, collaborate with business associations, other County departments, and State and Federal wage enforcement agencies, and to develop a request for proposal for the engagement of Community Based Organizations (CBO). Of this amount, \$100,000 was specifically set aside for contracting with CBOs in FY 2015-16. However, we do not anticipate having a contract in place prior July 1, 2016. As a result, DCBA has requested to re-purpose the \$100,000 to finance a portion of the education and outreach plan and our office concurs. DCBA has sufficient projected current year savings to finance the remaining \$70,000, so no new additional funding is needed to implement this plan in the current fiscal year.

If you have any questions or need additional information, please contact me, or your staff may contact Brian Stiger, Director, DCBA at (213) 974-9750 or via e-mail at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

SAH:JJ:SK  
BM:kd

### **Attachments (2)**

c:     Executive Office, Board of Supervisors  
        Consumer and Business Affairs  
        County Counsel

## **REPORT ON WAGE THEFT ENFORCEMENT EDUCATION AND OUTREACH PROGRAM**

On November 17, 2015, a motion by Supervisors Solis and Ridley-Thomas directed the Chief Executive Officer (CEO) and the Director of the Department of Consumer and Business Affairs (DCBA) to report back to your Board with recommendations for specific strategies to educate the public about the new minimum wage law and the issue of wage theft. The motion called for outreach strategies that will ensure culturally competent and linguistically appropriate communication to reach a diverse range of communities. Additionally, the motion requested that the CEO and DCBA present a budget to cover the costs for conducting public education and outreach efforts.

### **Proposed County Wage Enforcement Program Outreach Strategy**

The DCBA has created a robust education and outreach campaign and strategy using the tagline, "Honest Work, Fair Pay." The strategic objectives are to:

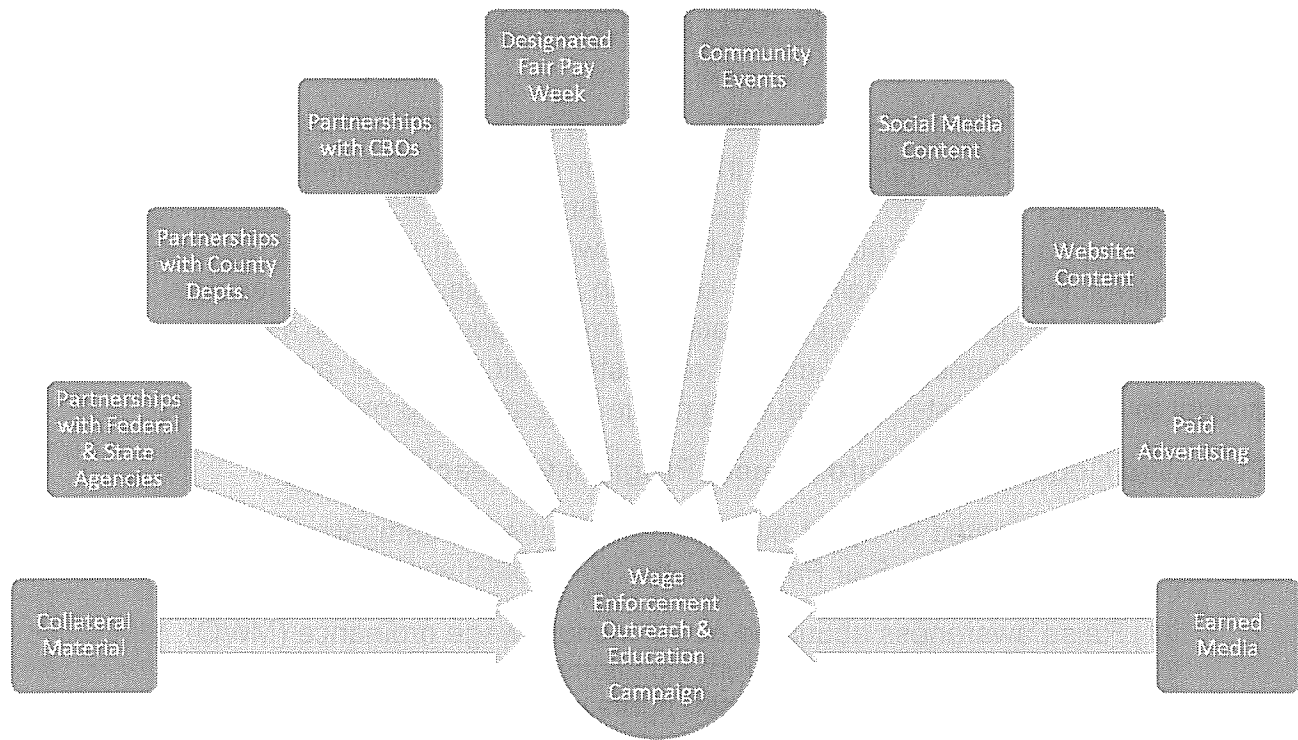
- (1) Raise awareness about the new minimum wage ordinance (MWO);
- (2) Educate employers to prevent violations of the MWO;
- (3) Educate employees about their rights under the MWO; and
- (4) Inform employees where they can receive assistance if they have been subjected to MWO violations.

We aim to ensure that employers and employees understand their rights and responsibilities under the new MWO.

The DCBA is a trusted community resource for consumers, businesses, and communities; therefore, we will develop campaign messaging that is informative, simple and nonjudgmental that speaks to all constituencies.

Our outreach strategy will include the following components to reach a broad and diverse audience of employees and employers:





### Ensuring Culturally Competent Communication and Reaching a Diverse Audience by Partnering with Community-Based Organizations

In addition to conducting our own outreach efforts, the DCBA will contract with a network of community-based organizations (CBO) that serve diverse communities and industries. Since CBOs often have trusted relationships with the communities they serve, they will play a vital role in helping us disseminate campaign materials, conduct outreach and receive wage theft complaints. CBOs often assist specific ethnic communities and industries. They employ staff who are culturally competent and can help the department to ensure the campaign materials are linguistically appropriate.

The DCBA will work with CBO staff to ensure that messaging is uniform and consistent. DCBA will create a streamlined referral process to allow CBO staff to submit complaints on behalf of their clients. The department will also put contractual safeguards including outcome metrics in place to ensure that CBOs perform the full scope of duties and are accountable for the funds they receive.

### County Partners

DCBA will identify points of contact where low wage workers and business owners currently interact with County departments during the normal course of business. This will give DCBA the opportunity to share collateral material about minimum wage

compliance and wage enforcement in areas where our target population already uses County services.

Suggested County departments and partners include:

- Public Social Services
- Child Support Services
- Parks and Recreation
- Public Library
- Treasurer and Tax Collector
- Public Health (free clinics)
- Housing Authority
- 211
- CEO Countywide Communications (public counters)
- CEO Office of Unincorporated Area Services (*Community Connections* publication)
- Board of Supervisors District Offices

#### Partnerships with Federal and State Agencies

In addition to working with County departments, DCBA will also forge partnerships with Federal and State agencies that regulate or have a nexus to wage and hour laws. This includes the U.S. Department of Labor and the State of California Department of Industrial Relations which houses the Labor Commissioner's Office. These partner agencies will assist with joint investigations, training opportunities, and serve as a source for referring L.A. County constituents to our office for information and assistance.

#### Countywide Communications

The Chief Executive Office-Countywide Communications Unit serves as the County's central source of information for the public. The unit maintains the [lacounty.gov](http://lacounty.gov) website, responds to public inquiries via telephone, e-mail and its public counter, serves as the media liaison for the County and assists in the coordination and production of County media. DCBA will partner with Countywide Communications to aid in amplifying our message to reach a broad base of employees and businesses. With their assistance, we will:

- Create a multilingual Public Service Announcements (PSA) that can be used on multiple platforms (e.g. television, social media, website, etc.)
- Create posters using their graphic design resources
- Add a page on [lacounty.gov](http://lacounty.gov) with the address: [lacounty.gov/minimumwage](http://lacounty.gov/minimumwage)
- Coordinate a press conference for the launch of the minimum wage ordinance
- Develop a script for radio advertisements
- Disseminate press releases
- Secure interviews on the County Channel

### Paid Advertising - Radio & Bus Cards

Purchasing radio air time is another strategy DCBA will use to reach our target audience. Based on Nielsen ratings and audience demographics, we propose buying air time on radio stations to operate a four week campaign.

Bus cards are advertisements that are used in the interior of a public transportation bus. DCBA proposes purchasing bus card advertisements for LA Metropolitan Transportation Authority (Metro) buses, Metrolink passenger rail cars, and Foothill Transit to help us reach our target population and gain visibility in communities throughout the County.

### Earned Media

Earned media is media in which the press voluntarily covers a topic of interest to their audience. The DCBA will develop a strategy for pitching coverage of the new wage enforcement program to local media outlets and newspaper publications to reach employees and employers.

### Social Media Campaign

DCBA will use all of its existing Facebook and Twitter accounts to share messages in English and Spanish about the minimum wage law and wage enforcement program. Market research indicates that Instagram is gaining popularity among American adults who use the internet. New data from the Pew Research Center indicates that Instagram has seen significant increase in every demographic group<sup>1</sup>. Therefore, the department will launch an Instagram account in an effort to reach its target population.

### Website Content

DCBA will work with the Internal Services Department to develop a new landing page on its existing website. This new section will share: (1) content about the County's MWO; (2) compliance tips for employers and; (3) red flags for employees. The department will also post quarterly enforcement statistics to serve as a deterrent to would be violators. Our PSA will also be available on our website.

In addition to creating content for our own website, DCBA will work with Countywide Communications to create a webpage on the lacounty.gov website. This page will serve as a referral to our department's website.

### Fair Pay Week in the County of Los Angeles

The department recommends that your Board designate a week in 2016 as Fair Pay Week. This will create an additional opportunity to shed light on our wage enforcement program and generate earned media for the issue.

---

<sup>1</sup> Pew Research Center: Social Media Update 2014 <http://www.pewinternet.org/2015/01/09/social-media-update-2014/>

### Community and Stakeholder Events

Prior to the July 1, 2016 implementation of the MWO, DCBA representatives will attend business industry events, host a roundtable and seek speaking engagement opportunities to educate the business community about the minimum wage law. We will also share tips to avoid violating the law and committing wage theft offenses. These events will afford us the opportunity to build relationships with the business community and explain our new role under the ordinance.

Additionally, DCBA staff will conduct field visits to business owners to introduce the DCBA, explain the wage enforcement program, share collateral materials, and seek voluntary compliance.

After July 1, 2016, we will focus on attending and hosting events that are focused on outreaching to low-wage workers who are likely to be impacted by the MWO. This includes attending community events, giving presentations and hosting a press conference.



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

**Wage Enforcement Program**

Education and Outreach Campaign Overview







# Table of Contents

## **Campaign Overview**

Audience Understanding & Demographics

**Content  
Development**  
Messaging &  
Formats

## **Media Presence**

Social Media, Media  
Relations & Paid Ads

## **Public Outreach**

Events, Community-Based Organizations,  
Business Outreach, & In-County Resources

**Appendix**  
Timeline







# Campaign Overview

The L.A. County Department of Consumer and Business Affairs (DCBA) is tasked with developing an education and outreach plan in response to the November 17, 2015 board motion to create a Wage Enforcement Program. The objectives of the integrated plan are to create a campaign that will; (1) raise awareness about the new minimum wage law; (2) educate employers to prevent wage theft violations; (3) teach employees about their rights in the workplace and; (4) encourage employees to file a complaint with DCBA if they believe they've been victimized. DCBA's strategy for executing a successful education and outreach campaign will include the following components listed in this report.

## Wage Theft in L.A. County

DCBA reviewed data and industry research from the UCLA Labor Center to understand the prevalence of wage theft in L.A. County. Additionally, the department reviewed studies from the National Employment Law Project, as well as reports from local governments who already enforce minimum wage laws such as the City & County of San Francisco, to assess best practices for creating a successful campaign. Collectively, this research has helped DCBA identify the industries most vulnerable to wage theft violations, understand worker demographics, and create a multifaceted outreach campaign.

### Among Low-Wage Industries

**\$26.2  
MILLION**

**Wages Are Lost Per Week  
Due To Wage Theft**

### Most Common Wage Violations in Los Angeles County

Not Paid For  
Overtime

Not Receiving  
Rest or Meal  
Breaks

Working  
Off-The-Clock

Not Paid The  
Minimum  
Wage

### Most Common Industries Experiencing Wage Theft

Garment Manufacturing  
Domestic Service  
Retail  
Restaurant Services

Hotel Housekeeping  
Home Health Care  
Auto Repair  
Car Washes  
Warehousing

Residential Construction  
Food Production  
Building Security  
Janitorial Services

Source: Wage Theft and Workplace Violations in Los Angeles, UCLA Institute for Research on Labor and Employment, 2010

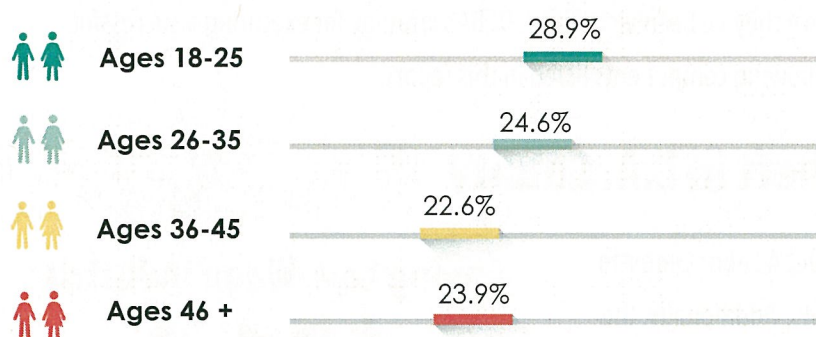






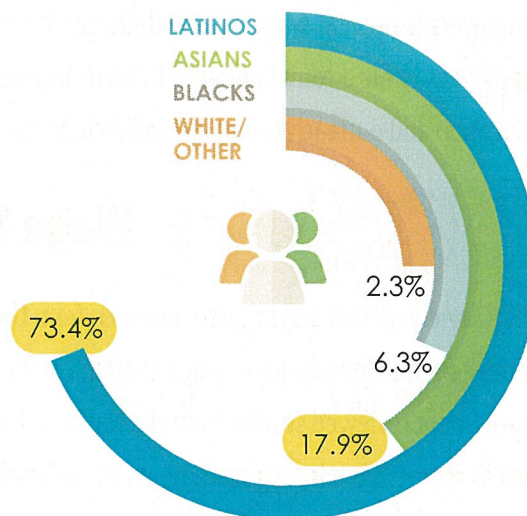
## Key Demographics

### Comparison of Ages Experiencing Wage Violations in L.A. County

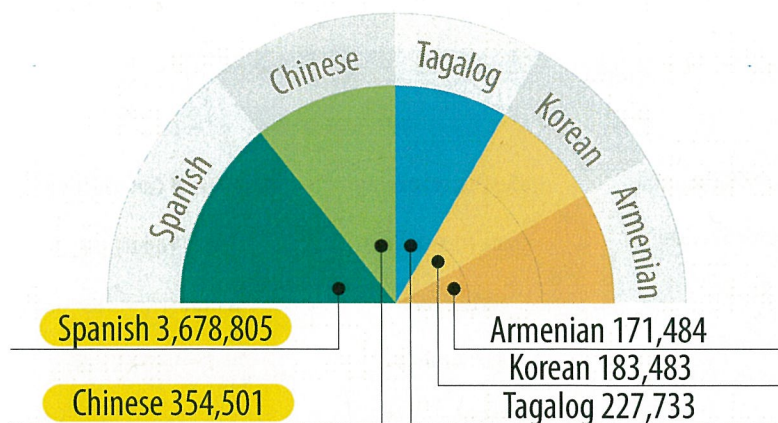


Source: Wage Theft and Workplace Violations in Los Angeles, UCLA Institute for Research on Labor and Employment, 2010

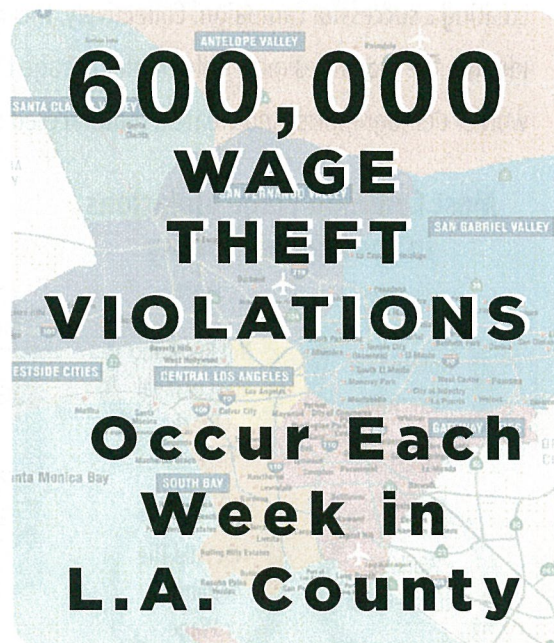
### Comparison of Ethnicities Experiencing Violations in L.A. County



### Top 5 Foreign Languages Spoken in L.A. County



Source: Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over, 2010-2014 American Community Survey 5-Year Estimates, U.S. Census Bureau



Source: November 17, 2015 Wage Enforcement Board Motion

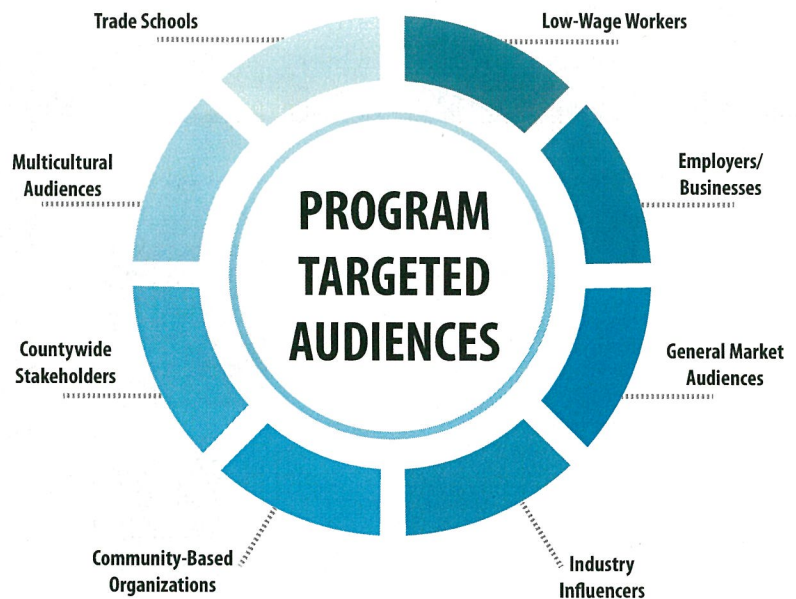






# Content Development

Key messaging will be developed in order to target micro and broad audiences. DCBA understands that these materials will need to reach multicultural and low-wage groups, which are predominantly affected by wage theft. These messages and the tagline “Honest Work, Fair Pay” will be used over the 4-week saturation period, initiated by the launch of the campaign and over the life of the campaign. Messaging may assume many formats such as marketing collateral (end-user materials) or broadcasted content. The objectives of the developed content will be to create awareness of the enforcement program, provide educational content, and uphold DCBA/L.A. County values. Messages may be executed in the following formats:



**LOS ANGELES COUNTY**  
**CONSUMER & BUSINESS AFFAIRS**  
Wage Enforcement Program  
(Program Name)

***Honest Work,  
Fair Pay***  
(Tagline)

Fact Sheets	FAQs	Brochures
Website Content	QR Codes	Public Service Announcements
PowerPoint Presentations	Broadcast Ads	Employee/ Employer Posters
Print Ads	Email Notifications	Social Media

## ***Integrated Approach***

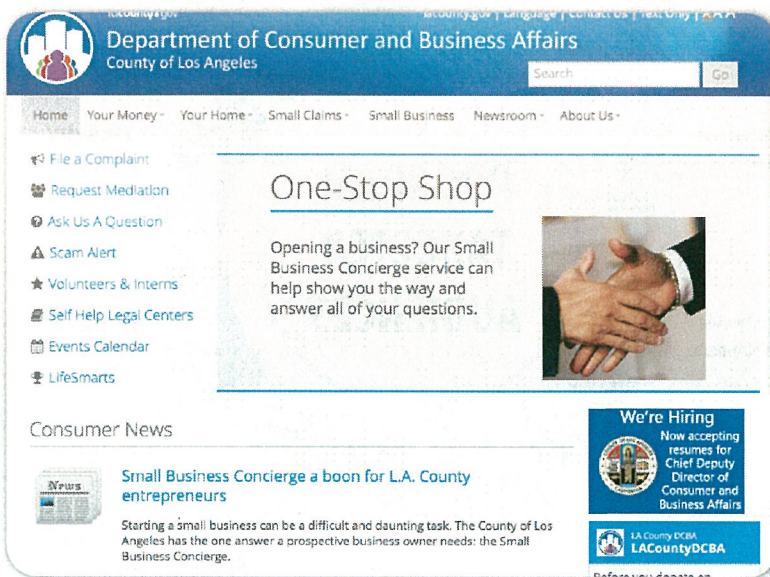
*Content and messaging will be used across various formats and platforms.*



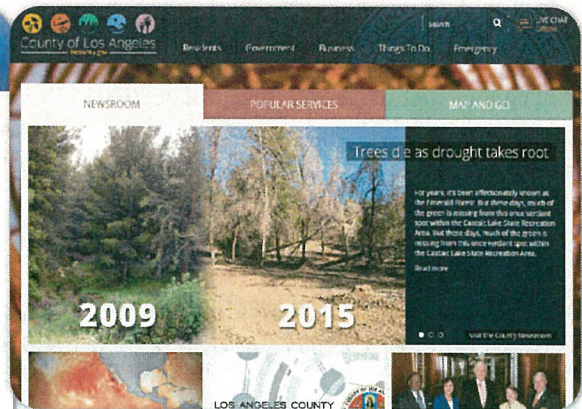


# Sample Marketing Collateral

DCBA.LACOUNTY.GOV WEBSITE



LACOUNTY.GOV WEBSITE



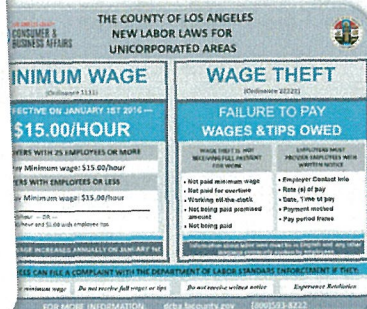
Featured content will be posted on a L.A. County vanity web page and the DCBA website, which have more than 662K unique visitors combined per month.

Source: Compete.com and Google Analytics, 2015

Business Poster

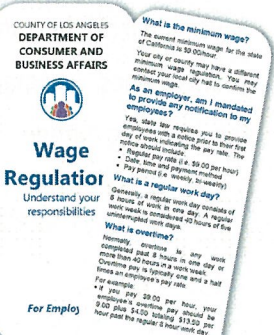
**Honest Work,  
Fair Pay**  
Minimum Wage \$  
Call DCBA  
For More Info  
(800)000-0000

Fact Sheet



## Marketing Collateral Distribution

Collateral will be disseminated through dedicated campaign events, online access, L.A. County departments, and presentations. Printed materials will promote DCBA's website through QR Codes and website URLs.

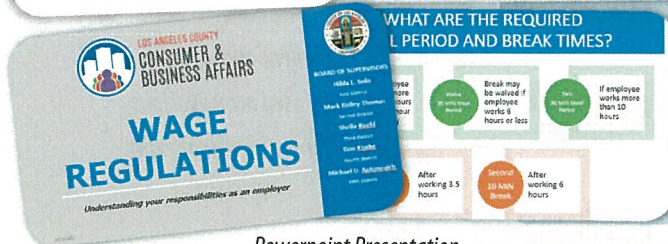


Brochure



QR Code

Powerpoint Presentation







# Media Presence

## Social Media



@LACountyDCBA  
@LACoConsumer  
@LACoSmallBiz

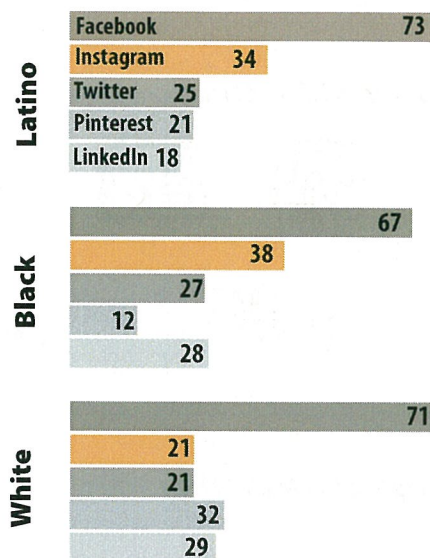


- Existing DCBA Twitter and Facebook accounts will be used to post campaign information.
- DCBA will leverage current social media audiences to create a foundation for a new Instagram page.
- Each social media platform allows DCBA to reach different geographic locations, ethnicities, and socioeconomic backgrounds.

### Instagram At A Glance

- Second most popular social media platform among Latinos and African Americans
- Over 300 million active users
- Provides a visual and emotional tie to wage theft content that can be shared with other users

### Growing Power of Instagram: Percent of Internet Users Who Use Each Social Media Site, By Race And Ethnicity



Source: Social Media Preferences Vary By Race And Ethnicity Article, Pew Research Center 2015

## Media Relations and Ads

DCBA will conduct media outreach and place ads in general and multicultural markets in order to reach targeted businesses and workers. With the help of Countywide Communications, DCBA will leverage earned media (free publicity) in order to circulate messages across platforms to all audiences.



Public Service Announcement



Interviews



Media Pitching



Press Conferences



Editorials/Op-Eds







Securing paid advertising and earned media is a critical component of our education and outreach campaign strategy. The pervasiveness of wage theft is so great that it necessitates the department using various media outlets to spread campaign messages. Since we are in one of the nation's largest media markets, we have the opportunity to reach diverse audiences and therefore increase the breadth and effectiveness of our campaign. The DCBA has identified media outlets that serve our target audience and those that have the highest ratings in Los Angeles County according to Nielsen and Arbitron ratings:

#### Top General Market Media



DAILY BREEZE

Los Angeles Times



Daily News

Source: Top Line Ratings 2015 Released 11-24-15, The Nielsen Company

#### Top Hispanic Market Media



Source: 10th Annual Hispanic Fact Pack, AdAge.com 2013  
Top Line Ratings 2015 Released 11-24-15, The Nielsen Company

#### Top Asian Market Media



Source: Arbitron Releases Results of Survey of Chinese Language Radio Listening in New York and Los Angeles, Business Wire, 2005

#### Outdoor - Transit Media

DCBA suggests purchasing interior bus and rail advertisements through local transit systems in order to reach low-wage workers who use public transportation to commute to work. DCBA will target routes or rider boarding locations where the ridership aligns with our target audiences.



Foothill Transit



METROLINK.



Metro







# Public Outreach

## Events

DCBA will continually seek opportunities and partnerships to reach campaign target audiences and diverse communities. DCBA will coordinate and attend campaign specific press conferences, roundtables, panels, community presentations, and business industry specific events. However, this will be in addition to the regularly scheduled DCBA events throughout the calendar year. These events will also be used to present and share campaign information.

**Fair Pay Week :** In partnership with the L.A. County Board of Supervisors, DCBA recommends designating a Fair Pay Week in the County of Los Angeles. This will create an additional opportunity to shed light on our wage enforcement program and generate earned media for DCBA.

### Business Events



Business Industry Events



Roundtable Discussions

### Community Events

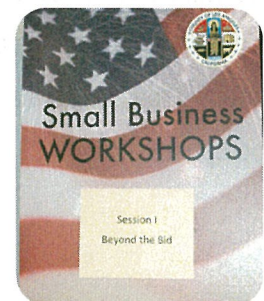
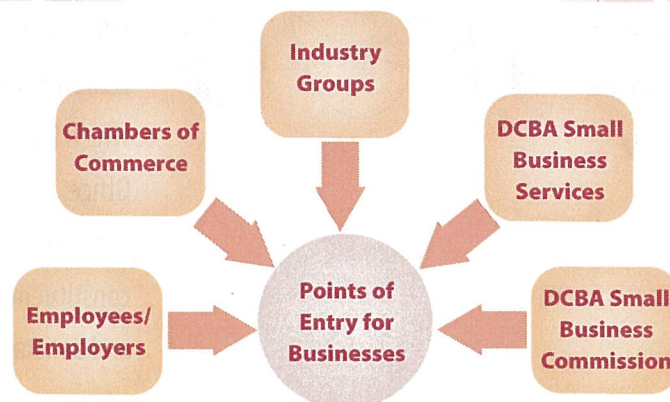


Community Presentations/Panels



Press Conferences

## Business Outreach







## In-County Resources

DCBA will use resources and partnerships within the County to ensure campaign visibility. These partnerships will leverage existing audiences, which will facilitate public access of program information. Whether it is utilizing these departments to distribute marketing collateral or to contribute to the coordination of a event, they will serve as another referral to DCBA services and as another source of feedback from campaign stakeholders and audiences.



CEO, Countywide Communications

County of Los Angeles  
Child Support Services Department



COUNTY OF LOS ANGELES  
Public Health

County  
Library



Executive Office of the  
Board of Supervisors



CEO, Office of Unincorporated  
Area Services



## Additional Partnerships

### Community-Based Organizations

DCBA will contract with community-based organizations to help conduct community outreach. Their help will be essential in educating hard-to-reach communities and ensuring that our campaign materials are culturally competent and linguistically appropriate.



### Federal and State Agencies

DCBA will also forge partnerships with Federal and State agencies that have a nexus to minimum wage issues. This includes the U.S. Department of Labor and the State of California Department of Industrial Relations which houses the Labor Commissioner's Office. Each of these agencies can serve as a source for referring L.A. County constituents to our office for information and assistance.

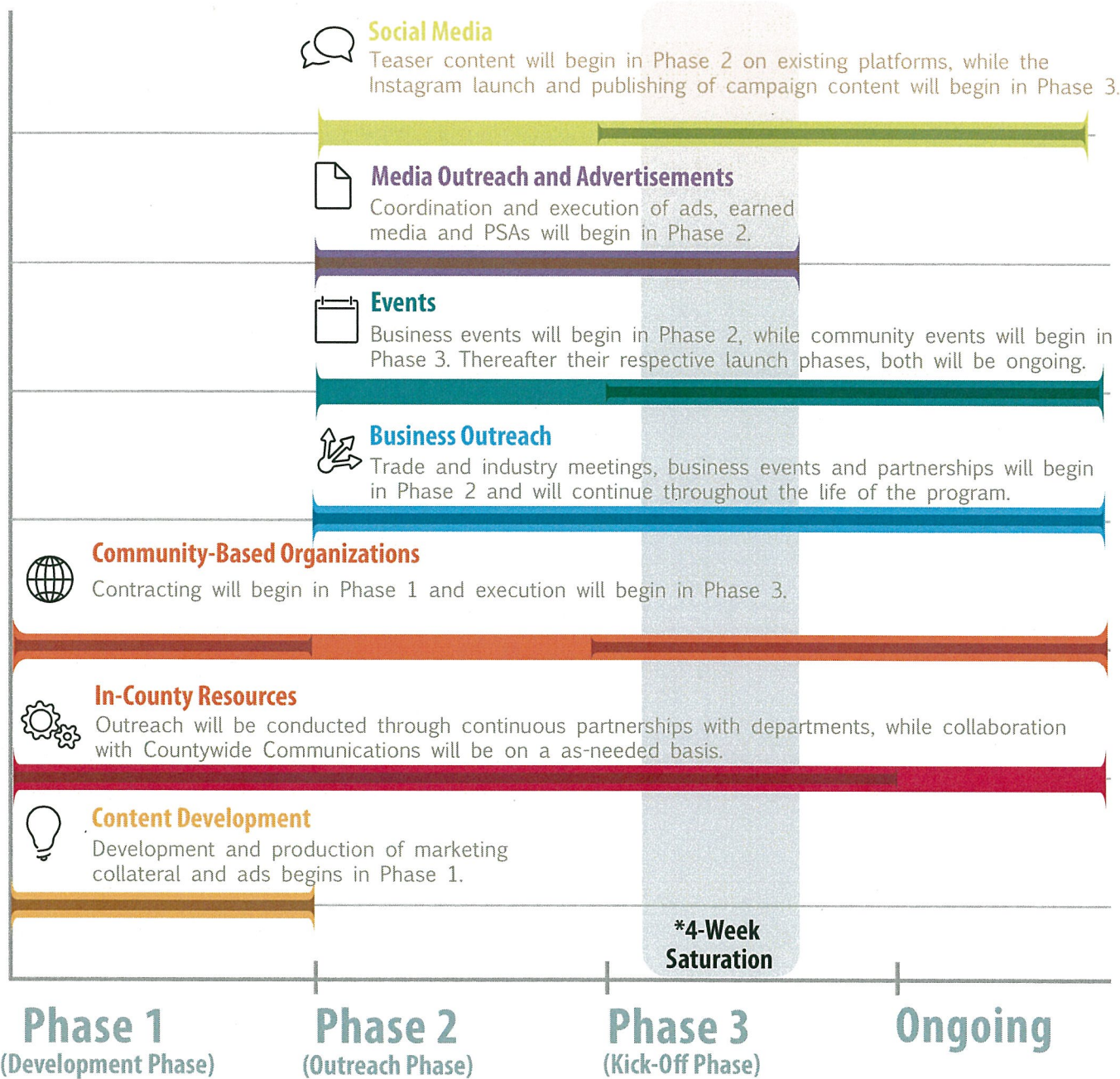






# Appendix

## Timeline



\*4-Week Saturation will begin during the kick-off phase and signifies that all marketing and outreach components are active.









SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

January 15, 2016

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

Board of Supervisors

HILDA SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **WAGE ENFORCEMENT PROGRAM IMPLEMENTATION: QUARTERLY REPORT #1 (ITEM NO. 4, AGENDA OF NOVEMBER 17, 2015)**

On November 17, 2015, a motion by Supervisors Solis and Ridley-Thomas directed the Chief Executive Officer (CEO) and the Director of Consumer and Business Affairs (DCBA) to report back on a quarterly basis on the Wage Enforcement Program regarding the progress made in hiring program staff and establishing program operations in an accessible, furnished and convenient location by July 1, 2016. This is the initial quarterly report to your Board.

#### **Summary**

County funding for the Wage Enforcement Program began on January 1, 2016, to enable the County to prepare for full program implementation on July 1, 2016, when the first rate increase takes effect from the new minimum wage ordinance. The ordinance initially raises the minimum wage in the unincorporated areas of Los Angeles County to \$10.50 per hour for businesses with 26 employees or more.

DCBA has already begun work on the Wage Enforcement Program and has made significant progress in a short period of time.

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**

## **Staffing, Operations, and Location**

DCBA has established a Wage Enforcement transition team that includes a Chief, Consumer Affairs Representative, Consumer Affairs Specialist, three Consumer Affairs Representatives, and representatives from the department's Education and Outreach Unit. The transition team is already working together in advance of hiring new staff for the program.

The transition team has begun developing program procedures and has initiated outreach planning. A copy of the department's proposed Education and Outreach Campaign was submitted to your Board on December 23, 2015. The department has also begun meeting with key partners such as the U.S. Department of Labor and the California Labor Commissioner. These meetings will assist the County in developing the Wage Enforcement Program.

CEO and DCBA have already begun working together to identify a convenient and accessible office location for the Wage Enforcement Program.

Additional work on the Wage Enforcement Program including a Wage Enforcement Ordinance, feasibility of expanding business licensing requirements, recommendations on related legislation, and the plan for obtaining stakeholder feedback will be addressed in separate future reports.

The next quarterly report to your Board on the Wage Enforcement Program implementation will be submitted in April 2016.

If you have any questions or need additional information, please contact me, or your staff may contact Brian Stiger, Director, DCBA at (213) 974-9750 or via e-mail at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

SAH:JJ:SK  
KS:alc

c: Executive Office, Board of Supervisors  
Consumer and Business Affairs  
County Counsel



Brian J. Stiger  
Director

---

**COUNTY OF LOS ANGELES  
DEPARTMENT OF  
CONSUMER AND BUSINESS AFFAIRS**

---

Members of the Board

Hilda L. Solis  
Mark Ridley-Thomas  
Sheila Kuehl  
Don Knabe  
Michael D. Antonovich

*"To Enrich Lives Through Effective and Caring Service"*

Date: February 18, 2016

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From:   
Brian J. Stiger  
Director

**REPORT WITH RECOMMENDATIONS TO OBTAIN STAKEHOLDER FEEDBACK  
DURING THE FIRST TWO YEARS OF THE OPERATION OF THE WAGE  
ENFORCEMENT PROGRAM (ITEM NO. 4, PARAGRAPH 7, AGENDA OF NOVEMBER  
17, 2015)**

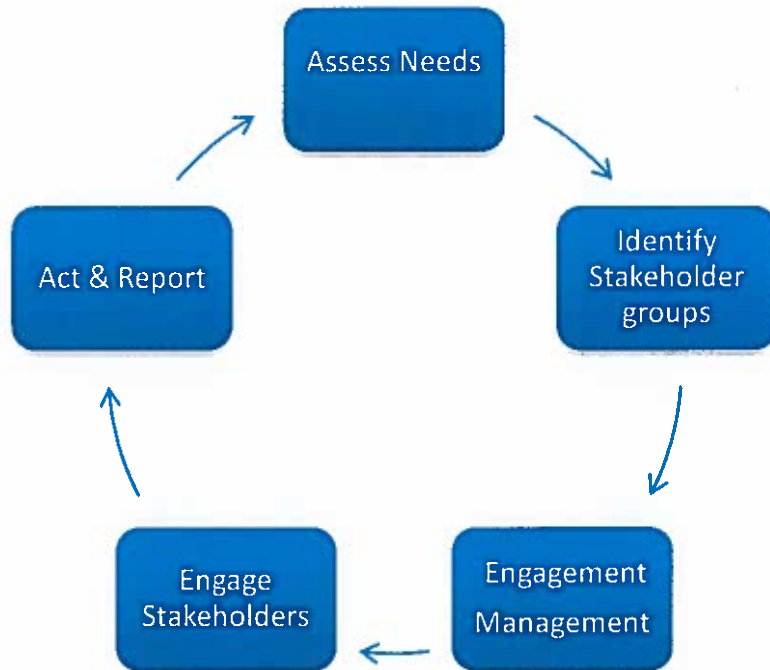
On November 17, 2015, the Board of Supervisors (Board) directed the Director of the Department of Consumer and Business Affairs (DCBA), to report back in writing within 90 days offering a plan to appropriately obtain stakeholder feedback, including feedback from incorporated cities in Los Angeles County, on the progress of the County's Wage Enforcement Program (WEP) during at least the first two years of WEP operation.

**Purpose**

DCBA believes that obtaining stakeholder feedback is imperative to efficiently and effectively running the County's WEP. As part of DCBA's ongoing commitment to ensure a successful program, DCBA will put together advisory task force groups of affected stakeholders that will provide guidance and input on the progress of the WEP.

Initially, DCBA will identify the people, groups and organizations that could affect or be affected by the program. These stakeholders will assist DCBA in developing the appropriate strategies and tactics for implementing and maintaining the WEP. DCBA will convene standing stakeholder advisory forums to ensure that stakeholders are involved in program decisions and execution throughout the initial establishment of the WEP, to gain support for the program, and anticipate resistance. Throughout the pendency of the program, DCBA will look to these stakeholders for insight into potential service gaps or possible areas of growth.

### Process to Obtain Stakeholder Feedback



#### **Assess Needs for Stakeholder Engagement**

As part of the County's WEP, DCBA responsibilities are to: educate workers and employers on their rights and responsibilities under the Minimum Wage Ordinance (MWO); provide a system to receive worker complaints; conduct fair and timely investigations; and work to recover unpaid wages for the victims. Your Board also directed DCBA to conduct outreach to employers and workers concerning the new MWO and to ensure culturally competent and linguistically appropriate communication to the full diversity of communities regarding the MWO, wage theft, and remedies available to workers for redress. In order to ensure that DCBA is engaging the best practices for addressing these responsibilities, DCBA will solicit feedback from stakeholders that have specialized knowledge in these areas.

#### **Identify Stakeholders**

DCBA first will identify individuals, groups and organizations that have expertise on wage theft matters; significant influence on the direction and success of the WEP; or who are impacted by the program. DCBA has already begun cultivating this list and reaching out to the identified groups (see below).

DCBA's directive under the MWO, the WEP and the Small Business Initiative (SBI) identifies three separate and distinct target groups: (1) Employers with 26 or more employees; (2) Employers with 25 or fewer employees; and (3) Workers. DCBA will develop relationships with local organizations and agencies that represent the interests of these groups. It is through these entities that DCBA will establish collaborative associations. DCBA will look to these agencies for feedback on the progress of the WEP from the perspectives of these three diverse stakeholder groups.



### **Workers' Rights Community-Based Organizations**

Your Board granted DCBA the authority to contract with a network of community-based organizations (CBOs) that serve various industries and ethnic communities. CBOs often have trusted relationships with the communities they serve, employing staff who are culturally competent and linguistically diverse. Accordingly, these CBOs will play a vital role in assisting DCBA to disseminate campaign materials, conduct outreach and receive wage theft complaints.

In preparing to release a Request for Proposals (RFP) to contract with these groups, DCBA sent out a Request for Information (RFI) to local CBOs. Through the RFI, DCBA sought information on best practices for reaching workers. In disseminating the RFI, DCBA compiled a list of local CBOs with expertise in counseling and educating on issues relating to wage and hour violations.

### **Partnerships with Federal, State and Local Jurisdictions**

DCBA has forged partnerships with Federal and State agencies that have a nexus to minimum wage issues. This includes the U.S. Department of Labor and the State of California Department of Industrial Relations, which houses the Labor Commissioner's Office. Each of these agencies has proven a valuable partner to DCBA's WEP by sharing their experiences enforcing State and Federal wage and hour law. Additionally, once DCBA's WEP is fully implemented in July 2016, these agencies can serve as a referral source for referring L.A. County constituents to our office for information and assistance.

Locally, the County and the City of Los Angeles have worked closely during the concurrent development of their respective enforcement programs. DCBA will continue to partner with the City to determine best practices and facilitate the investigation of cases with overlapping jurisdiction. DCBA has also been in communication with the City of Santa Monica while that city examines the most effective means of enforcing their new minimum wage. As additional cities develop their minimum wage ordinances, DCBA will continue to reach out and collaborate on best practices.

### **Business Engagement**

DCBA has connected with the business community through the Los Angeles County Business Federation (BizFed) to assess how the County can reach small businesses and what resources would be most valuable to businesses during the transition to the increased minimum wage. The BizFed group included members of local Chambers of Commerce, financial institutions, small business owners, and other business-serving partners.

DCBA will continue to look to these local business organizations to ascertain the needs of the business community with respect to the WEP.

### **Stakeholder Engagement Management**

In addition to the groups addressed above, DCBA will continue to canvas the community to find affected stakeholders to engage in this process. In establishing these diverse advisory groups, DCBA will be explicit in the purpose for their engagement and what the scope of engagement will be. Stakeholders will have a clear understanding of how their feedback will be used and DCBA will provide regular updates on the status of the program. DCBA will look to these stakeholders to learn more about how DCBA can effectively enforce the MWO.

In order to encourage the participation of these stakeholder groups, DCBA will regularly consult with them during the development of the WEP and for at least the two years after the implementation of the program. The goal is to ensure the success of the WEP through

engaging key stakeholders within the community. To do this, DCBA will host regular meetings of the advisory groups, use web-based tools to solicit feedback, and provide minutes and reports back to the groups on the status of the WEP.

In addition, the WEP team will be actively listening and soliciting input on an ongoing basis, both informally in the field and through targeted engagement, to capture important information regarding the progress of the WEP. This information will assist the team to make improvements and to respond to problems.

### **Community and Stakeholder Events**

Prior to the official launch of the WEP in July 2016, DCBA representatives will attend business industry events, host roundtables and seek speaking engagement opportunities to educate and solicit feedback from the community about the minimum wage law. These events will afford DCBA the opportunity to build relationships in the community with affected stakeholders.

After July 1, 2016, DCBA will host regular stakeholder meetings to update affected stakeholders on the status of the program and to receive feedback on the progress of the program from the perspective of the three target groups. DCBA will also ensure that the meetings take place in geographically diverse locations, so that every supervisorial district is represented.

### **Act and Report**

To ensure the success of our stakeholder engagement plan, DCBA will monitor stakeholder relationships, adjusting strategies for engaging stakeholders as deemed necessary. Additionally, DCBA will use insights gained from the information collected during stakeholder meetings to adjust strategies and tactics for enforcing the County's MWO. DCBA will implement mechanisms to receive ongoing input from affected stakeholders, including online surveys and direct feedback. DCBA will supply stakeholders with meeting summaries and reports regarding the status of the program.

Engaging stakeholders will allow DCBA to tap into their expertise, experience and knowledge. It also helps identify best practices and new ideas. The feedback received from the advisory stakeholder groups will be essential to determine the effectiveness of the program, obtain insight into potential service gaps and identify opportunities for growth.

Each Supervisor  
February 18, 2016  
Page 6

If you have any questions or need additional information, please contact me at (213) 974-9750 or via email at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

BJS:sp

c: Executive Office, Board of Supervisors





**JOSEPH KELLY**  
TREASURER AND TAX COLLECTOR

## COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CALIFORNIA 90012  
TELEPHONE: (213) 974-2101 FAX: (213) 626-1812



HOME PAGE  
[TTC.LACOUNTY.GOV](http://TTC.LACOUNTY.GOV)  
PROPERTY TAX PORTAL  
[LACOUNTYPROPERTYTAX.COM](http://LACOUNTYPROPERTYTAX.COM)

March 25, 2016

TO: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Sheila Kuehl  
Supervisor Michael D. Antonovich

FROM: Joseph Kelly  
Treasurer and Tax Collector

SUBJECT: **REVIEW OF CITY BUSINESS LICENSING PRACTICES AND THE  
FEASIBILITY OF EXPANDING THE COUNTY'S BUSINESS LICENSE  
ORDINANCE TO ALL BUSINESSES IN THE UNINCORPORATED  
AREA**

On November 17, 2015, your Board directed the Treasurer and Tax Collector (TTC), County Counsel (CC), the Chief Executive Officer (CEO), and all relevant departments to report back on the existing criteria and practices for business registration, licensing, or permitting processes of all 88 cities in Los Angeles County, and on the feasibility of expanding business licensing to all businesses in the unincorporated areas, and to incorporate to the greatest extent allowed by law, wage theft criteria in business licensing, registration, or permitting processes.

The attached report (see Attachment I) documents the results of our survey of the licensing practices of all 88 cities in Los Angeles County, as well as our review of the feasibility of expanding the County's business license ordinance to all businesses in the unincorporated areas, including the incorporation of wage theft criteria in business licensing. My office briefed this report at the Operations Cluster meeting of March 3, 2016.

### **EXECUTIVE SUMMARY**

#### **EXISTING BUSINESS LICENSE PROGRAM**

Title 7 of the Los Angeles County Code (Code or Title 7) governs the administration of the Business License Program (BLP or Program), which was developed to provide for

the protection of the public's health, safety and welfare. The Code also requires that licenses issued meet land use requirements under Title 22 of the Code. The TTC oversees the administration of the Program, as the County Charter designates the Tax Collector as *ex-officio* License Collector.

The County currently requires a business license for those businesses where the business activity impacts the public's health, safety, and welfare. As an example, Title 7 requires taxicab companies and their drivers to obtain a business license, because a passenger being transported in a taxicab should be safe. Therefore, a driver who transports constituents should possess a valid driver's license and the cab should be safe from defect. On the other hand, the County does not license businesses where health, safety and welfare issues are less obvious.

The County currently requires a business license for approximately 110 business activities (See Attachment II). Approximately 5,800 (72%) of the 7,991 active business licenses are concentrated in five business types, listed in descending order by volume: food establishments, ambulances, motor vehicle repair, apartment houses, and taxis.

The Business License Application and Renewal fees are developed on a cost recovery basis. The weighted average cost approximates \$430 for an initial application and \$240 for a renewal. Your Board last approved recommended revisions to the fee schedule in 2002.

### **SURVEY OF INCORPORATED CITIES**

The TTC conducted a survey on the business licensing practices of all 88 cities located in Los Angeles County and found that the majority of the cities have different types of programs governed by their respective Municipal Codes. In reviewing the purpose of each city's business license program, we identified three general models:

- **Revenue:** The Revenue Model is designed to generate revenue for the city's general fund and requires businesses to pay a Business Tax.
- **Regulation:** The Regulation Model is designed to confirm compliance with regulatory requirements to ensure the health, safety and welfare of the city's constituents. It can include issuance of a license and/or a registration process.

While there are subtle nuances with many of the programs, we categorized the programs as follows:

**Incorporated Cities: Business License Models**

Revenue	47%
Regulation	11%
Regulation and revenue	42%

We classified Los Angeles County's Program as a Regulation Model.

**MULTI-YEAR PLAN TO UPDATE AND REVISE TITLE 7**

In the fall 2015, I presented to the Operations Cluster the outline of a three-year plan my office had developed to update and revise Title 7. In the first year, we would incorporate into Title 7 business license requirements listed elsewhere in the County Code, resolve conflicting authorities in other Code sections, and consider expanding Title 7 to include new businesses; in the second year, we would implement the consolidated permitting and licensing One Stop Center in Alhambra; and then in the third year, we would conduct fee studies and propose revised Business License fees to your Board. (The purpose of conducting the fee study after the establishment of the One Stop Center would be to incorporate into the fee study various operational efficiencies departments expect to achieve through the consolidation.)

The updates and revisions necessary to licensing requirements and administrative processes that we have identified so far are significant and are discussed in the report.

**FEASIBILITY OF EXPANDING BUSINESS LICENSING TO ALL BUSINESSES IN THE UNINCORPORATED AREAS**

Given the Board's focus on compliance with wage enforcement, we limited the options to those available to your Board under the Regulation Model. For the purpose of regulation, the County may license any lawful business within unincorporated areas. A license is also defined as including a registration of businesses. Thus, the County may also register businesses. **Your Board may expand the requirement of obtaining a business license to all businesses within the unincorporated area. Alternatively, your Board could also require the Tax Collector to develop and implement a Business Registration Program (BRP).** Discussion of these two options follows.

**Option One: Expand the Existing Business License Program**

The policy focus of the existing Program has been on ensuring the public's health, safety, and welfare and in ensuring compliance with land use regulations. Expanding

the requirement for a business license to all businesses in the unincorporated area – regardless of the business activity's impact to the public's health, safety and welfare, would be a significant policy shift and would constitute the most sweeping regulation of the business community since the formation of Title 7 nearly 65 years ago. Further, the expansion could not be immediate, but would have to be implemented in a strategic and measured manner over several years, particularly given the multi-year effort to update and revise Title 7 that my office began last fall. We believe the implementation plan itself could take at least six months to develop, even with the dedication of additional resources to the effort.

Based on information obtained from the Assessor, we estimated 15,000 businesses currently operate in the unincorporated area. Presently, the TTC has issued 7,991 licenses to 7,029 businesses (1,842, or 26%, of which are itinerant businesses). We estimate that there are a minimum of 8,000 businesses that would need to obtain a business license under the expansion. The variation in the business types; the regulatory framework over those business types that could limit the County's ability to regulate; and the need to develop fees for each business type make expansion a complex undertaking. As well, your Board would need to consider a number of policy issues related to expansion. For example, some of the business activities we identify will likely be related to the "sharing economy" or "home-based" businesses and the applicability of a licensing framework to these business activities would be a matter for Board policy determination.

### **Option Two: Develop and Implement a Business Registration Program**

An alternative to an immediate expansion of the licensing requirement to include all businesses would be to develop and implement a Business Registration Program (BRP). For the purpose of regulation, the County may license any lawful business within unincorporated areas. A license is also defined as including a registration of businesses. Thus, the County may also register businesses.

Under the BRP, all businesses would be required to register with the County by submitting a registration form and paying a nominal registration fee. Under Proposition 26, the County has the authority to impose a registration fee to recover the cost of processing the registration. If a business required a license, because the business activity impacts the public's health, safety and welfare and to ensure compliance with land use regulations, then the registration requirement would automatically be met through the issuance of a license. Addressing the Board's desire for comprehensive data on the business community operating in the unincorporated areas, the registration process would also include collection of certain business related information important to your Board and the County's economic development goals.

Advantages of a Business Registration Program include maintaining the policy focus of the Business License Program; a relatively straightforward application process and

single nominal fee which some could characterize as more "business friendly" than the alternative; and the TTC could continue on its multi-year effort to revise and update Title 7, without having to also consider its expansion to all businesses.

The establishment of a Business Registration Program would not preclude the County from expanding the Business License Program to one or more selected businesses as the need arose.

In addition to presenting a draft of the report at the Operations Cluster meeting, we distributed the draft report to those departments heavily involved in the review of business license applications. The departments noted their full support in assisting us in implementing your Board's directive, although they stated they would not be able to assume full expansion of the licensing requirement to all businesses within their current resources.

These and other matters are discussed in more detail in the attached report (see Attachment I).

Should you have any questions, please contact me directly or your staff may contact Kathy Gloster, Assistant Treasurer and Tax Collector, at (213) 974-2077 or [kgloster@ttc.lacounty.gov](mailto:kgloster@ttc.lacounty.gov).

c: Assessor  
Sheriff Department  
Animal Care and Control  
Auditor-Controller  
Chief Executive Officer  
Executive Officer, Board of Supervisors  
Fire Department  
Department of Health Services  
Department of Public Health  
Department of Public Works  
Department of Regional Planning  
Business License Commission

#### Attachments

1. Review of City Business Licensing Practices and Feasibility of Expanding County's Business License Ordinances (Attachment I)
2. 110 business activities (See Attachment II).
3. City Survey (See Attachment III)

**Treasurer and Tax Collector  
Review of City Business Licensing Practices  
And the Feasibility of Expanding the County's Business License Ordinance  
To All Businesses in the Unincorporated Area**

**EXISTING BUSINESS LICENSE PROGRAM**

Title 7 of the Los Angeles County Code (Code) governs the administration of the Business License Program (BLP or Program), which was developed to provide the minimum requirements for the protection of public convenience, as well as the safety, health and general welfare of the public. The Code also requires that licenses issued meet land use requirements under Title 22. The Treasurer and Tax Collector (TTC) oversees the administration of the Program, as the County Charter designates the TTC as ex-officio License Collector.

The County currently requires a business license for approximately 110 business activities (See Attachment II). Any business and/or employee of select businesses, such as taxicabs or bingo, conducting any of the 110 licensed activities, and operating within the unincorporated area of the County or the three contracted cities of Malibu, Santa Clarita, and Westlake Village, must obtain a business license for each activity they conduct. For example, a bar that serves food, has live entertainment and billiard tables, would need three different licenses (public eating, entertainment and billiard room). Currently, the County does not license home-based businesses.

Approximately 5,800 (72%) of the 7,991 active business licenses are concentrated in five business types, listed in descending order by volume: food establishments, ambulances, motor vehicle repair, apartment houses, and taxis.

The Business License Application and Renewal fees are developed on a cost recovery basis. The weighted average cost approximates \$430 for an initial application and \$240 for a renewal. Your Board last approved recommended revisions to the fee schedule in 2002.

**Application Process**

The first step in obtaining a business license is to complete an application and pay the non-refundable application fee. Through the TTC's website, business owners can confirm the jurisdiction of their business, confirm that their business activity requires a business license, initiate their application and schedule a follow-up appointment to complete their application. Business owners, or their authorized representative, must finalize their application in person at one of our Business License Offices (Kenneth Hahn Hall of Administration, Lancaster, or Valencia). The TTC requires an in person visit to verify the business owner or operator's identify and confirm that they have the authority to act on behalf of the business.

Upon receipt of an application and the accompanying fee, the TTC sends referrals to the other county departments involved in the approval of that business activity, such as the Department of Regional Planning (DRP), the Fire Department (Fire), the Department of Public Health (Public Health), the Sheriff's Department (Sheriff), the Chief Executive Office Risk Management Branch (CEO), and the Department of Public Works Building and Safety Division (Public Works). Each of these departments has a specific function, such as performing an inspection of the business location or reviewing required documents, to ensure that the business meets all regulatory requirements. The Sheriff is responsible for processing background checks through the California Department of Justice when required. After each department completes its review, it submits approval or denial back to the TTC.

If all departments recommend approval of the application, the TTC will either issue the Business License or, if required, schedule a hearing before the Business License Commission (BLC). If any reviewing County department recommends a denial of the application based on a correctable issue (e.g., failed lighting issue), the TTC will coordinate with that department and the business owner to try to resolve the issue. If any department recommends a denial based on a non-correctable issue (e.g., a failed background check) and all reviewing departments have responded, the TTC will notify the business owner of the denial and their right to appeal the denial to the BLC. The TTC coordinates with the business owner, all County departments involved, and the Executive Officer of the Board of Supervisors to ensure there is only one hearing, at which time all matters can be addressed.

For many business activities, the receipt provided by the TTC for the payment of the application fee constitutes a temporary business license; therefore, the business owner may begin to operate immediately while the TTC completes the processing of the application. For all other business activities, including all business activities that require a hearing before the BLC, the business owner may not begin to operate until the BLC commission approves the application. The BLC may approve the business license application as is, or impose conditions (e.g., modified business hours).

### **Enforcement Process**

In addition to administering the application process, the TTC is responsible for the enforcement of Title 7. The TTC's Tax and License Field Inspectors (Inspectors) perform site inspections to ensure compliance with Title 7, and investigate complaints from members of the public and/or from other County departments. The TTC also contracts with an outside vendor to assist with inspections for those businesses whose business licenses have expired.

The TTC's Inspectors and/or the vendor will advise the business owner of any required corrective action, including the need to obtain a business license for any activity that the business owner omitted from the original application or added after the license was issued. The vendor will issue a Field Inspection Report and provide a copy to the TTC,

which will trigger a visit by an Inspector who, if necessary, will issue a Notice of Violation.

Continued violations of Title 7, including operating without a license, are deemed a misdemeanor, and are punishable by fine, or imprisonment in the County Jail for a period not exceeding six months, or both. Such fine shall not be more than \$1,000 for the first violation and not less than \$500; and \$1,000 for the second and any subsequent violation. Further, any person operating without a license may be enjoined from such violation by a court order. Where the conduct consisting of a violation of operating without a license is of a continuing nature, each day of such conduct is a separate and distinct violation.

Hearings before the BLC, whether they are appeals for a denied application, a request to deny a renewal, an accusation, or approval hearings for new applications, are open hearings subject to the Brown Act. The TTC publishes notices of hearings two weeks prior to the hearing date and informs the business owner of the date and time of the hearing. At the hearing, the BLC will review all documentation, interview witnesses, listen to public testimony, and make a final determination based on the information presented.

## **SURVEY OF INCORPORATED CITIES IN LOS ANGELES COUNTY**

The TTC conducted a survey on the business licensing practices of all 88 cities located in Los Angeles County and found that the majority of the cities have a comprehensive program governed by their respective Municipal Code. Some of the notable findings are as follows:

- Most cities have a comprehensive program to license, tax, or register businesses in their jurisdiction, with a few exceptions:
  - Three cities have very limited programs that only address a small number of specific businesses (e.g., film industry or door-to-door solicitors).
  - Three cities (Malibu, Santa Clarita, and Westlake Village) currently contract with the TTC to administer their BLP under Title 7.
- The majority of cities require all businesses in their jurisdiction, including home-based businesses, to obtain either a license, pay a business tax, or register. Most cities require that home-based businesses obtain a Home Occupation Permit (sometimes referred to as a Home Occupancy Permit).
- Generally speaking, all cities have some form of an application or registration process that requires the submission of an application or registration form, similar to our BLP.

In reviewing the purpose of each city's program, we identified two general models:



- **Revenue:** The Revenue Model is designed to generate revenue for the city's general fund and requires businesses to pay a Business Tax. This tax is typically based on a percentage of the business' gross receipts, but may also include taxes based on the number of employees, the square footage of the business, or the number of vehicles owned by the business.
- **Regulation:** The Regulation Model is designed to confirm compliance with regulatory requirements to ensure the safety, health, and welfare of the city's constituents. The Regulation Model commonly includes confirmation of appropriate land use, building inspections, and health inspections. Under this model, businesses are required to pay a Business License fee, the amount of which is generally established on a cost recovery basis. In return, the business obtains a business license. This category can also include registration, with payment of a related registration fee.

In reviewing each city's programs, the programs fell under Revenue, Regulation, or a combination of Regulation and Revenue. While there are subtle nuances with many of the programs, we can categorize the programs as follows:

**Incorporated Cities: Business License Models**

Revenue	47%
Regulation	11 %
Regulation and revenue	42%

For cities whose program is a hybrid of both Regulation and Revenue, businesses pay a Business Tax as described above, but may also pay a Business License Fee, and must comply with all regulatory requirements.

Enforcement under the various programs may include, but is not limited to, sending delinquent business taxes to collections for revenue programs, the issuance of fines or closure of the business for regulation based programs, and the issuance of administrative citations for failing to register.

### **Multi-Year Plan to Update and Revise Title 7**

Before discussing the Board's options related to expansion of the Business License Ordinance, it is important to note that in the fall of 2015, I presented to the Operations Cluster the outline of a three-year plan my office had developed to update and revise Title 7. In the first year, we would incorporate into Title 7 business license requirements listed elsewhere in the County Code, resolve conflicting authorities in other Code sections, and consider expanding Title 7 to include new businesses; in the second year, we would implement the consolidated permitting and licensing One Stop Center in Alhambra; and then in the third year, we would conduct fee studies and propose revised Business License fees to your Board. (The purpose of conducting the fee study after the establishment of the One Stop Center would be to incorporate into the fee study various operational efficiencies departments expect to achieve through the consolidation).

The updates and revisions necessary to licensing requirements and administrative processes that we have identified so far are significant and include the following.

1. Title 7 does not encompass all license requirements that exist in the County Code, but we believe it should. For example, the Department of Animal Care and Control's Licensing Division is responsible for inspecting dog and cat kennels, pet shops, grooming parlors, animal exhibition events, animal menageries, and mobile groomers. They also inspect facilities with guard dogs, circuses, and establishments that require a conditional use permit. When necessary, they issue orders to comply and/or citations to appear in court to enforce County and contracted city ordinances. This licensing program is codified in Title 10 – Animals. The Director of Animal Care and Control is the administrator of this licensing program, and Animal Control Officers are deputized as deputy Tax Collectors in order to comply with the County Charter requirement that the Tax Collector is the de facto license issuer. The only reference to Title 7 in Title 10 is to the role the BLC plays in the event a license holder or applicant wished to appeal an administrative determination of the Director.

In contrast to Title 7's exclusion of Animal Care and Control's administration of its licensing program, Title 7 codifies the role the Emergency Medical Services Agency, Ambulance Licensing Section, plays in overseeing the private ambulance system in Los Angeles County. The Ambulance Licensing Section, not Tax Collector staff, is responsible for processing ambulance and ambulette license applications in accordance with Section 7.16-Ambulances or Section 7.17-Ambulettes. The County of Los Angeles Ambulance Licensing Hearing Board, a three member panel composed of representatives from the Department of Health Services, Fire Department, and Sheriff's Departments, hears appeals; not the BLC.

2. Title 7 provides deadlines for applying for a license renewal. Currently, licenses are automatically renewed upon payment of the renewal fee, without any review of whether the business still meets licensing requirements or is in compliance with conditions that were imposed when the original license was issued. I would like to propose a change to Section 7.06.200 that would allow the Tax Collector to require evidence of continued compliance with licensing requirements and other applicable conditions prior to renewal of a license.
3. The Tax Collector requires applicants in certain business activities to pass a background check prior to license issuance, and the Sheriff's Department is responsible for administering that process. We believe it is important to consider expanding the background check to include a check through the Federal Bureau of Investigation and to ensure the Sheriff receives subsequent arrest notifications.
4. Over time, technology or business practices can change and make the requirements for a business license difficult to implement as literally written. Also, in some cases where Title 7 does not list specific requirements for a business license, the Tax Collector needs to have the flexibility to establish reasonable requirements to carry out the purposes of Title 7. I would like to propose a new section that allows the Tax

Collector, with the approval of County Counsel, to issue administrative instructions to interpret ambiguous or complex provisions, to correct any defects, to supply any omissions and to reconcile any discrepancies. Approval by County Counsel helps to provide checks and balances to ensure the Tax Collector is not acting unilaterally.

It has been very challenging to meet the first year objectives we established within our current resources, and as a result, I included a request for several new positions in my Fiscal Year 2016-2017 budget request. The TTC will not be able to carry out this three year plan within our current resources. Further, any expansion of the existing BLP would require considerable resources to implement, beyond the positions I included in my budget request.

## **FEASIBILITY OF LICENSING ALL BUSINESSES**

### **Overview of Business License Models**

- The **Revenue Model**, through the imposition of a Business Tax, provides a revenue stream for a jurisdiction. Under California Proposition 26, the imposition of a Business Tax requires voter approval.
- The **Regulation Model** grants permission to operate as long as that business meets required registration or regulatory requirements. This category can also include business registration. As such, the County's existing Program could include compliance with wage theft criteria as one of the license conditions. Title 7, Section 7.08.150, grants broad authority for the BLC to revoke or suspend a business license if it finds that an owner, or anyone exercising managerial authority, commits any of the acts specified in this section. This includes, but is not limited to, acts of dishonesty or fraud, a bad moral character, or violations any rule or regulation adopted by any governmental agency relating to the licensee's business.

Given the Board's focus on compliance with wage enforcement, we limited the options to those available to your Board under the Regulation Model. For the purpose of regulation, the County may license any lawful business within unincorporated areas. A license is also defined as including a registration of businesses. Thus, the County may also register businesses. **Your Board may expand the requirement of obtaining a business license to all businesses within the unincorporated area. Alternatively, your Board could also develop and implement a Business Registration Program (BRP).** Discussion of these two options follows.

### **Option One: Expand the Existing Business License Program**

The focus of the existing Program has been on ensuring the public's health, safety, and welfare and in ensuring compliance with land use regulations. Expanding the requirement for a business license to all businesses in the unincorporated area – regardless of the business activity's impact to the public's health, safety and welfare,

would be a significant policy shift and would constitute the most sweeping regulation of the business community since the formation of Title 7 nearly 65 years ago. Further, the expansion could not be immediate, but would have to be implemented in a strategic and measured manner over several years. We believe the implementation plan itself could take at least six months to develop, even with the dedication of additional resources to the effort.

The complexity of the expansion of the BLP to all businesses is related to the following:

- 1. The number of incremental businesses subject to the licensing requirement is unknown, as is the related business activity. Further, the regulatory framework that currently exists over that business activity, which may or may not limit the County's ability to regulate, is not known.**

Based on information obtained from the Assessor, we estimated 15,000 businesses currently operate in the unincorporated area. Presently, the TTC has issued 7,991 licenses to 7,029 businesses (1,842, or 26%, of which are itinerant businesses). Based on this information, we estimate that there are a minimum of 8,000 businesses that would need to obtain a business license under the expansion.

The identification and classification of the types of businesses to codify is an arduous undertaking. For purposes of this report, we reviewed the North American Industry Classification System (NAICS), which is a listing of business activities grouped into 20 sectors, further delineated into a total of approximately 19,000 distinct codes. NAICS is maintained by the Federal Office of Management and Budget.

We may be unable to regulate those businesses that are licensed to operate under various State statutes (i.e., Certified Public Accountants, lawyers and doctors). Other business activities, like the most recent revisions to Title 7 related to massage, can be regulated at the local level, but with appropriate consideration of State statutes. The actual process of proposing a licensing framework for these business activities, working in conjunction with our partners in the Department of Regional Planning, the Fire Department, the Department of Public Works and the Department of Public Health, among others; identifying the appropriate stakeholder groups to review the framework; and coming to agreement on the language of the license requirement itself is a time consuming process.

- 2. Your Board would need to consider a number of policy issues related to expansion.** For example, some of the business activities we identify will likely be related to the "sharing economy" or "home-based" businesses and the applicability of a licensing framework to these business activities would be a matter for Board policy determination.
- 3. The TTC would need to conduct fee studies** to fully recover County costs and submit these studies to the Auditor-Controller for review and approval, prior to submission to your Board for adoption. Fee studies for the expanded business

activity would take precedence over the business activities currently licensed, which have not been revised in over a dozen years.

In summary, expanding the existing business license program is feasible. It would require the dedication of significant additional resources in the TTC and other departments, both in the short term to develop a well thought out and comprehensive implementation plan, and then in the longer term in the administration and enforcement of the program. An expanded license program could include compliance with wage theft enforcement, violations of which would result in the suspension or revocation of a business license. However, it is important to consider this as a final step for egregious offenders as this action closes the business and terminates the employment of all employees.

### **Option Two: Develop and Implement a Business Registration Program**

An alternative to an immediate expansion of the licensing requirement to include all businesses would be to develop and implement a Business Registration Program (BRP). For the purpose of regulation, the County, may license any lawful business within unincorporated areas. A license is also defined as including a registration of business. Thus, the County may also register businesses.

Under the BRP, all businesses would be required to register with the County by submitting a registration form and paying a nominal registration fee. Under Proposition 26, the County has the authority to impose a registration fee to recover the cost of processing the registration. If a business required a license, because the business activity impacts the public's health, safety and welfare and to ensure compliance with land use regulations, then the registration requirement would automatically be met through the issuance of a license.

Addressing the Board's desire for comprehensive data on the business community operating in the unincorporated areas, the registration process would also include collection of certain business related information important to your Board and the county's economic development goals.

An implementation plan would still need to consider the development of a business type classification system for reporting purposes, but some of the more arduous processes under BLP expansion, including identification of all departments required to review an application and the establishment of fees for a potentially large number of business activities are not applicable. The implementation plan would include the following:

- Establish the requirements for the BRP.
- Develop a registration form, including the specific data to capture.
- Implement an information technology framework to allow for registrations in addition to licenses.
- Conduct a single fee study to establish the fee.

- Develop an outreach plan to business owners advising them of the registration requirement.

The advantages of a Business Registration Program, as opposed to expansion of the Business License Program include the following:

1. The policy focus of the Business License Program would continue to be ensuring the public's health, safety and welfare and compliance with land use regulations.
2. The Business Registration Program is less complex than expansion of the Business License Program, particularly related to the application process, and the single nominal fee would have less of an economic impact to a business than the higher fees charged under the Business License Program. As such, the Business Registration Program is more business friendly than the alternative.
3. The TTC could continue on its multi-year effort to revise and update Title 7, without having to also consider its expansion to all businesses.

The establishment of a Business Registration Program would not preclude the County from expanding the Business License Program to one or more selected businesses as the need arose.

## Business License Activities

## Attachment II

Business Activity	Sub-Categories	# of Active Business Licenses	Application Fee*	Renewal Fee*
Acupressure Establishment	Acupressure Establishment	0	\$ 2,269.00	\$ 355.00
Acupressurist	Acupressurist	0	\$ 352.00	\$ 235.00
Adult Business	Adult Bookstore	1	\$ 2,229.00	\$ 1,713.00
	Adult Cabaret	1	\$ 1,982.00	\$ 1,713.00
	Adult Entertainment	1	\$ 1,515.00	\$ 1,515.00
	Adult Motion Picture Arcade	0	\$ 1,988.00	\$ 1,712.00
	Adult Motion Picture Theater	0	\$ 1,836.00	\$ 1,552.00
	Adult Theater	0	\$ 1,836.00	\$ 1,552.00
Ambulance Operator	Air Ambulance Operator	1	\$ 7,567.92	\$ 2,484.95
	Ambulance Operator	35	\$ 4,847.17	\$ 2,924.43
Ambulance Vehicle	Ambulance, Air	0	\$ 374.86	\$ 340.55
	Ambulance, Ground	995	\$ 374.86	\$ 340.55
Ambulette Attendant	Ambulette Attendant	0	\$ 66.00	\$ 17.00
Ambulette Driver	Ambulette Driver	0	\$ 67.00	\$ 17.00
Ambulette Operator	Ambulette Operator	7	\$ 4,847.17	\$ 2,924.43
Ambulette Vehicle	Ambulette Vehicles	50	\$ 362.72	\$ 328.41
Apartment House	Apartment House - 5-10 Units	250	\$ 260.00	\$ 186.00
	Apartment House - 11-15 Units	83	\$ 283.00	\$ 201.00
	Apartment House - 16+ Units	242	\$ 341.00	\$ 224.00
Billiard Room	Billiard Room	26	\$ 2,093.00	\$ 359.00
Bingo Manager	Bingo Manager	22	\$ 51.00	\$ 51.00
	Bingo Manager.Exempt	35	\$ -	\$ -
Bingo Operator	Bingo Operator	21	\$ 51.00	\$ 51.00
Bingo Supplier	Bingo Supplier	3	\$ 1,523.00	\$ 81.00
Boarding House	Boarding House	4	\$ 283.00	\$ 201.00
Body Art Establishment	Body Art Establishment	4	\$ 2,255.00	\$ 214.00
Body Art/Piercing/Tattoo	Body Art/Piercing/Tattoo	0	\$ 2,255.00	\$ 214.00
Body Art Technician	Body Art Technician	2	\$ 253.00	\$ 209.00
Bookstore (Other Than Adult)	Bookstore - General	15	\$ 1,800.00	\$ 176.00
Bottle Washing	Bottle Washing	0	\$ 195.00	\$ 61.00
Bottle Works	Bottle Works	43	\$ 195.00	\$ 132.00
Bowling Alley	Bowling Alley	3	\$ 1,915.00	\$ 324.00
Card or Game Club	Card Or Game Club	0	\$ 2,178.00	\$ 208.00
Carnival	Carnival	6	\$ 1,499.00	\$ 121.00
Carnival Game Booth	Carnival Game Booth	0	\$ 330.00	\$ 202.00
Charitable Institution	Charitable Institution	3	\$ 3.00	\$ 3.00
	Charitable Institution Event	1	\$ 3.00	\$ 3.00
	Charity Salvage Collector	6	\$ 3.00	\$ 3.00
	Charity Salvage Dealer	1	\$ 3.00	\$ 3.00
Circus or Traveling Show	Circus/Traveling Show - 1st Day	1	\$ 1,832.00	\$ -
	Circus/Traveling Show Extension - Each Additional Day	1	\$ 205.00	\$ -
Closing-Out Sale	Closing-Out Sale	0	\$ 169.00	\$ -
Coin-Operated Game	Coin-Operated Game	201	\$ 202.00	\$ 132.00
Coin-Operated Phonograph	Coin-Operated Phonograph	103	\$ 202.00	\$ 132.00
Cold Storage Warehouse	Cold Storage Warehouse	0	\$ 364.00	\$ 176.00

Business Activity	Sub-Categories	# of Active Business Licenses	Application Fee*	Renewal Fee*
Dance	Annual Dance	76	\$ 1,772.00	\$ 224.00
	Youth or Charity Dance	0	\$ -	\$ -
Demonstrator	Demonstrator	0	\$ 169.00	\$ 61.00
Entertainment	Entertainment-General	32	\$ 1,982.00	\$ 407.00
	Entertainment-General with Dance License	53	\$ 622.00	\$ 407.00
	Entertainment - Charity	0	\$ -	\$ -
Escort Bureau	Escort Bureau	0	\$ 1,864.00	\$ 1,590.00
Exhibition	Exhibition	4	\$ 1,809.00	\$ 276.00
Explosives	Explosives	4	\$ 556.00	\$ 294.00
Fertilizer Plant	Fertilizer Plant	0	\$ 364.00	\$ 176.00
Filling Station	Filling Station	203	\$ 362.00	\$ 253.00
Food Establishment	Food Establishment	1,097	\$ 425.00	\$ 224.00
Foundry	Foundry	4	\$ 341.00	\$ 234.00
Funeral Escort Driver	Funeral Escort Rider	33	\$ 176.00	\$ 132.00
Funeral Escort Service	Funeral Escort Service	3	\$ 176.00	\$ 132.00
Game Arcade	Game Arcade	19	\$ 1,778.00	\$ 252.00
Gasoline and Oil Tank Trucks	Gasoline and Oil Tank Trucks	3	\$ 308.00	\$ 201.00
Gun Dealer	Gun Dealer	22	\$ 740.00	\$ 280.00
Hay, Grain and Feed Dealer	Hay, Grain and Feed Dealer	20	\$ 310.00	\$ 201.00
Health Spa	Health Spa	20	\$ 1,761.00	\$ 252.00
Hog Ranch	Hog Ranch	0	\$ 446.00	\$ 176.00
Horse Meat	Horse Meat	0	\$ 195.00	\$ 61.00
Hotel/Motel	Hotel - 5-10 Units	0	\$ 318.00	\$ 201.00
	Hotel - 11-15 Units	0	\$ 318.00	\$ 130.00
	Hotel - 16+ Units	22	\$ 379.00	\$ 247.00
	Motel	63	\$ 341.00	\$ 224.00
Identification Card	Identification Card	0	\$ 169.00	\$ 61.00
Launderette	Launderette	87	\$ 266.00	\$ 186.00
Live Poultry Dealer	Live Poultry Dealer	8	\$ 195.00	\$ 132.00
Livery Stable	Livery Stable	16	\$ 341.00	\$ 224.00
Locksmith	Locksmith	16	\$ 202.00	\$ 132.00
Locksmith - Itinerant	Locksmith - Itinerant	17	\$ 202.00	\$ 132.00
Lumberyard	Lumber Yard	12	\$ 448.00	\$ 247.00
Manager	Manager—Entertainment, Game, Model Studio, Picture Arcade, or Adult Business	31	\$ 176.00	\$ 132.00
Massage Parlor	Massage Parlor	19	\$ 2,255.00	\$ 214.00
Massage Technician	Massage Technician	10	\$ 253.00	\$ 209.00
Mechanical Rides	Mechanical Rides	4	\$ 319.00	\$ 201.00
Medical Marijuana Dispensary	Medical Marijuana Dispensary	0	\$ 2,255.00	\$ 214.00
	Medical Marijuana Dispensary Manager	0	\$ 253.00	\$ 209.00
Model Studio	Model Studio	0	\$ 1,753.00	\$ 1,594.00
Motor Vehicle Body and Fender	Motor Vehicle Body and Fender	112	\$ 476.00	\$ 276.00
Motor Vehicle Painting	Motor Vehicle Painting	90	\$ 476.00	\$ 276.00
Motor Vehicle Repair	Motor Vehicle Repair	540	\$ 476.00	\$ 276.00
Motor Vehicle Repair - Itinerant	Motor Vehicle Repair - Itinerant	14	\$ 476.00	\$ 276.00



Business Activity	Sub-Categories	# of Active Business Licenses	Application Fee*	Renewal Fee*
Motor Vehicle Rental	Motor Vehicle Rental	39	\$ 202.00	\$ 132.00
Motorcycle Contest	Motorcycle Contest	0	\$ 364.00	\$ -
Off-Road Vehicle	Off-Road Vehicle	0	\$ 1,575.00	\$ 178.00
Oil Tool Exchange	Oil Tool Exchange	1	\$ 208.00	\$ 145.00
Outdoor Festival	Religious Worship	0	\$ -	\$ -
	Outdoor Festival	0	\$ 1,867.00	\$ -
Pawnbroker	Pawnbroker	34	\$ 378.00	\$ 158.00
Peddler - Commercial Motor Vehicle	Peddler - Commercial Motor Vehicle	179	\$ 169.00	\$ 132.00
Peddler - Special Events	Peddler - Special Events	11	\$ -	\$ -
Picnic Park	Picnic Park	7	\$ 318.00	\$ 201.00
Picture Arcade	Picture Arcade	0	\$ 1,776.00	\$ 130.00
Plant Nursery	Plant Nursery	42	\$ 195.00	\$ 132.00
Pony Ride	Pony Ride	1	\$ 195.00	\$ 132.00
Poultry Dealer	Poultry Dealer	0	\$ 195.00	\$ 132.00
Private School	Private School	11	\$ 1,847.00	\$ 247.00
Promoter (Charitable)	Promoter (Charitable)	0	\$ 1,503.00	\$ 61.00
Public Eating	Public Eating	1,682	\$ 432.00	\$ 224.00
Rebound Tumbling Center	Rebound Tumbling Center	4	\$ 530.00	\$ 176.00
Rendering Plant	Rendering Plant	0	\$ 195.00	\$ 61.00
Rifle Range	Rifle Range	6	\$ 1,863.00	\$ 227.00
Rodeo	Rodeo	0	\$ 1,808.00	\$ -
Salvage Collector	Salvage Collector - Per Vehicle	15	\$ 203.00	\$ 159.00
	Salvage Collector - Charity - Per Vehicle	0	\$ 3.00	\$ 3.00
Salvage Dealer	Salvage Dealer	31	\$ 459.00	\$ 251.00
	Salvage Dealer - Charity	0	\$ 3.00	\$ 3.00
Sawmill	Sawmill	0	\$ 448.00	\$ 176.00
Secondhand Dealer	Secondhand Dealer	252	\$ 344.00	\$ 233.00
	Secondhand Dealer - Charity	12	\$ 3.00	\$ 3.00
	Secondhand Dealer - Itinerant	2	\$ 344.00	\$ 233.00
Shooting Gallery	Shooting Gallery	0	\$ 271.00	\$ 130.00
Skating Rink	Skating Rink	1	\$ 1,660.00	\$ 270.00
Solicitor	Solicitor - Charity	3	\$ -	\$ -
	Solicitor - Company	5	\$ 176.00	\$ 132.00
	Solicitor - Individual	18	\$ 176.00	\$ 132.00
Sound/Advertising Truck	Sound/Advertising Truck	0	\$ 169.00	\$ 61.00
Swimming Pool - Public	Swimming Pool - Public	12	\$ 195.00	\$ 61.00
Taxi Dance Hall	Taxi Dance Hall	0	\$ 1,775.00	\$ 178.00
Taxi Dance Instructor	Taxi Dance Instructor	0	\$ 132.00	\$ 52.00
Taxicab Driver	Taxicab Driver	348	\$ 176.00	\$ 132.00
	Taxicab Driver with Other City License	50	\$ 169.00	\$ 132.00
Taxicab Operator	Taxicab Operator	9	\$ 1,527.00	\$ 156.00
Taxicab Vehicle	Taxicab Vehicle	158	\$ 169.00	\$ 132.00
	Additional Taxicabs	9	\$ 169.00	\$ 132.00
Theater (Motion Picture and Live, Other Than Adult)	Theater - General	3	\$ 1,830.00	\$ 247.00

Business Activity	Sub-Categories	# of Active Business Licenses	Application Fee*	Renewal Fee*
Tow Truck	Tow Truck	138	\$ 169.00	\$ 132.00
	Tow Truck with Other City License	16	\$ -	\$ -
Trade-In Dealer	Trade In Dealer	4	\$ 318.00	\$ 228.00
Vacation Certificate Business	Vacation Certificate Business	0	\$ 1,496.00	\$ 61.00
Valet Parking Service	Valet Parking Service	20	\$ 176.00	\$ 132.00
Water Taxi	Water Taxi Operator	13	\$ 1,557.00	\$ 186.00
	Water Taxi	25	\$ 176.00	\$ 132.00
	Additional Water Taxis	1	\$ 176.00	\$ 61.00
Weed Eradicator	Weed Eradicator	0	\$ 238.00	\$ 130.00

**Total Number of Active Business Licenses**

**7,982**

**Weighted Average License Fees**

**\$ 430.17 \$ 239.57**

*\*Please Note: Each of the above Application and Renewal Fees includes a \$1.00 State Mandated Surcharge to be used for Disability Access and Education per California Government Code § 4467. This is set to expire on December 31, 2018.*



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

May 6, 2016

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

Board of Supervisors

HILDA SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **WAGE ENFORCEMENT PROGRAM IMPLEMENTATION: QUARTERLY REPORT #2 (ITEM NO. 4, AGENDA OF NOVEMBER 17, 2015)**

On November 17, 2015, your Board approved a motion by Supervisors Solis and Ridley-Thomas directing the Chief Executive Officer (CEO) and the Director of Consumer and Business Affairs (DCBA) to report back on a quarterly basis on the Wage Enforcement Program regarding the progress made in hiring program staff and establishing program operations in an accessible, furnished, and convenient location by July 1, 2016. The first quarterly report was submitted to your Board on January 15, 2016. This is the second quarterly report.

### **Summary**

County funding for the Wage Enforcement Program began on January 1, 2016 to enable the County to prepare for full program implementation on July 1, 2016, when the first rate increase takes effect from the new minimum wage ordinance. The ordinance initially raises the minimum wage in the unincorporated areas of Los Angeles County to \$10.50 per hour for businesses with 26 employees or more. This report provides an update on Wage Enforcement staffing, operations, and location. It also includes an update on other County reports related to Wage Enforcement.

*"To Enrich Lives Through Effective And Caring Service"*

***Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only***

## **Staffing and Operations**

DCBA has established a Wage Enforcement transition team that includes a Chief, Consumer Affairs Representative, Consumer Affairs Specialist, three Consumer Affairs Representatives, and representatives from the department's Education and Outreach Unit. The transition team has been working together and with outside partners in advance of hiring new staff for the program. DCBA now has active exams or certification lists for all of the positions allocated to the Wage Enforcement Program. Hiring for the initial five Wage Enforcement positions is expected to be completed prior to program implementation on July 1, 2016.

DCBA has engaged in significant collaboration with key partners such as the U.S. Department of Labor, the California Labor Commissioner, and the City of Los Angeles. DCBA has organized, or participated, in a variety of meetings, trainings, and public events to prepare staff and the public for the implementation of the County's minimum wage. DCBA staff has also participated in ride-along trainings with enforcement partners to identify best practices and align County enforcement procedures with the most effective strategies utilized by other agencies. DCBA staff has developed the initial draft of a procedure manual for the Wage Enforcement Program.

The Wage Enforcement Program will be ready to begin full operations when the County's minimum wage is implemented on July 1, 2016.

## **Location**

While DCBA anticipates relocating the department's headquarters to the Hall of Records as early as the end of 2016, DCBA has identified the Kenneth Hahn Hall of Administration - Room B-96 at 500 W. Temple St., Los Angeles, as the best available temporary office location to launch the Wage Enforcement Program. Since DCBA was utilizing all of their workstations at capacity in their existing Hall of Administration office space, CEO worked with DCBA to identify additional space outside of the Hall of Administration. In March 2016, DCBA staff opened a new satellite office at 222 S. Hill Street, Los Angeles, in an existing County-leased space. This new location allowed the DCBA to relocate existing staff and open up the necessary workspace for the Wage Enforcement Program in the Hall of Administration.

## **Additional Reports**

In separate reports to your Board, departments have provided updates on additional work on the Wage Enforcement Program, including the County's minimum wage education and outreach campaign (CEO/DCBA), obtaining stakeholder feedback (DCBA), the feasibility of expanding business licensing requirements (Treasurer and Tax Collector), recommendations on related legislation and its impact on the County's wage enforcement authority (CEO), and a Wage Enforcement Ordinance (County Counsel).

The next quarterly report to your Board on the Wage Enforcement Program implementation will be submitted in July 2016.

If you have any questions or need additional information, please contact Brian Stiger, Director of the Department of Consumer and Business Affairs, at (213) 974-9750, or via e-mail at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

SAH:JJ:  
SK:KS:alc

c: Executive Office, Board of Supervisors  
Consumer and Business Affairs  
County Counsel



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

Board of Supervisors

HILDA SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

August 1, 2016

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

### **WAGE ENFORCEMENT PROGRAM IMPLEMENTATION: QUARTERLY REPORT #3 (ITEM NO. 4, AGENDA OF NOVEMBER 17, 2015)**

On November 17, 2015, your Board approved a motion by Supervisors Solis and Ridley-Thomas directing the Chief Executive Officer (CEO) and the Director of Consumer and Business Affairs (DCBA) to report back on a quarterly basis on the Wage Enforcement Program regarding the progress made in hiring program staff and establishing program operations in an accessible, furnished and convenient location by July 1, 2016. Previous quarterly report was submitted to your Board on January 15, 2016 and May 6, 2016. This is the third quarterly report.

### **Summary**

County funding for the Wage Enforcement Program began on January 1, 2016 to enable the County to prepare for full implementation of the program and conduct outreach to employers in advance of the first wage increase. On July 1, 2016, the first County minimum wage ordinance rate increase took effect and initially raised the minimum wage in the unincorporated areas of Los Angeles County to \$10.50 per hour for businesses with 26 employees or more. This report provides an update on DCBA's Wage Enforcement staffing, operations, and location. The report also includes a review of recent board actions relating to wage enforcement and details on upcoming quarterly reports.

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**



## **Staffing and Operations**

The Wage Enforcement Program was fully staffed and began operations on schedule when the County's minimum wage was implemented on July 1, 2016.

Your Board approved six positions for DCBA's Wage Enforcement Program in the FY 2016-17 budget. Funding for five additional positions was placed in a Provisional Funding Unit (PFU) account so it will be available if workload demonstrates the need for additional positions. The current program staffing includes positions DCBA has temporarily assigned to the Wage Enforcement Program from within their department to assist with the initial program implementation. DCBA's Wage Enforcement team currently includes the following positions:

- Chief, Consumer Affairs Representative;
- Management Fellow;
- Consumer Affairs Supervisor;
- Consumer Affairs Representatives (3);
- Employment Compliance Investigator; and
- Support from the department's Education and Outreach Unit.

DCBA has engaged in extensive collaboration with key partners such as the U.S. Department of Labor, the California Labor Commissioner, and the City of Los Angeles to prepare for program implementation. DCBA has organized and participated in a variety of meetings, trainings, and public events. DCBA has also completed substantial research to identify best practices from other jurisdictions that have previously implemented wage enforcement programs.

Prior to July 1, DCBA's education and outreach staff launched a broad outreach campaign to notify employers in the unincorporated areas about the increase in the minimum wage. Outreach was conducted through public events, printed materials, online information, traditional media, social media, and bus shelter signage. Now that the new minimum wage rates have been implemented, DCBA's on-going outreach to employers and employees is continuing. DCBA's outreach efforts will be enhanced by the work of a dozen community-based organizations led by the Koreatown Immigrant Workers Alliance who have contracted with the County to provide educational and outreach services.

## **Location**

DCBA has launched the Wage Enforcement Program from their main office in the Kenneth Hahn Hall of Administration - Room B-96 at 500 W. Temple St., Los Angeles. Although the department anticipates relocating their main office to a new location in the Hall of Records, the Hall of Administration office was currently the best available temporary office location for launching the program.

## **Board Actions and Additional Reporting**

On April 26, 2016, your Board adopted the County's wage enforcement ordinance which establishes the wage enforcement program, designates the Director of Consumer and Business Affairs as administrator and enforcement officer of the program, requires employers to provide notices and maintain records for qualifying employees, prohibits retaliation against employees, and establishes fines and penalties for violations. On June 21, 2016, your Board approved the Rules for the County's minimum wage and wage enforcement ordinances that provide the framework for the enforcement process and penalties. Also on June 21, 2016, your Board approved the contract with Koreatown Immigrant Workers Alliance for educational and outreach services related to the County's minimum wage.

This is the final pre-implementation quarterly report and completes part 6 of the Board's November 17, 2015 motion. The next quarterly report to your Board on the Wage Enforcement Program will address post-implementation issues as requested in part 7 of the motion. The issues addressed in the next report will include caseload trends, workload, successes, and challenges. The next quarterly report will be submitted in October 2016.

If you have any questions or need additional information, please contact Brian Stiger, Director of the Department of Consumer and Business Affairs, at (213) 974-9750 or via e-mail at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

SAH:JJ:SK  
KS:bjs

c: Executive Office, Board of Supervisors  
County Counsel  
Consumer and Business Affairs



Brian J. Stiger  
Director

---

## COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

---

Members of the Board

Hilda L. Solis  
Mark Ridley-Thomas  
Sheila Kuehl  
Don Knabe  
Michael D. Antonovich

*"To Enrich Lives Through Effective and Caring Service"*

Date: November 18, 2016

To: Supervisor Hilda Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From:   
Brian J. Stiger, Director  
Department of Consumer and Business Affairs

### **WAGE ENFORCEMENT PROGRAM POST-IMPLEMENTATION: QUARTERLY REPORT #1 (ITEM NO. 4, AGENDA OF NOVEMBER 17, 2015)**

On November 17, 2015, your Board adopted a motion by Supervisors Solis and Ridley-Thomas directing the Chief Executive Officer and the Director of Consumer and Business Affairs (DCBA) to report back on a quarterly basis on the status of the Wage Enforcement Program (WEP).

DCBA began enforcing the minimum wage ordinances on July 1, 2016, when the minimum wage increased from \$10.00 per hour to \$10.50 per hour for businesses with 26 or more employees in the unincorporated areas of the County. This report provides your Board a status update on the implementation of the program.

#### **Education and Outreach**

Since July 1, 2016, DCBA has participated in 14 outreach events including forums, seminars, roundtables and resource fairs with approximately 1,490 businesses to educate employers on their responsibilities under the new ordinances. Additionally, DCBA conducted 15 outreach events focused on educating 1,215 workers on their rights under the new ordinances.

DCBA has been mentioned or interviewed for 21 stories by various news media, including FOX, Public Radio, Telemundo 52, Armenian Russian Television Network and Asian Journal, among others. This media coverage served to raise awareness of the new wage schedule and ordinance requirements among the ethnic communities of the County.

### **Partnership with Community Based Organizations**

DCBA contracted with the Koreatown Immigrant Workers Alliance (KIWA) and a network of Community Based Organizations (CBOs) to serve diverse communities throughout the County. The CBOs provide information about the new minimum wage to workers and businesses, assist DCBA with translation services, and serve as complaint intake centers.

DCBA worked closely with the CBOs to coordinate outreach efforts and train CBO staff on the new ordinances and DCBA complaint intake, investigative, and referral processes.

### **State and Federal Agency Collaboration**

On November 15, 2016, your Board approved a Memorandum of Understanding between the County and U.S. Department of Labor and a Partnership Agreement with the California Department of Labor Standards Enforcement. These agreements facilitate joint training opportunities, investigations, outreach, and information sharing shortly thereafter.

### **Contract with the City of Santa Monica for Wage Enforcement Services**

On September 13, 2016, your Board approved an agreement with the City of Santa Monica which authorizes DCBA to enforce the City of Santa Monica's Minimum Wage Ordinance. DCBA began responding to inquiries from businesses, employees and the general public.

### **Enforcement Workload**

#### **Proactive Compliance Visits:**

Since July 1, 2016, DCBA personnel conducted 578 proactive compliance checks to employers throughout the County with a concentration on high wage theft industries. During these visits DCBA discusses the requirements of the new laws, provides a copy of the required minimum wage posting, and shares important contact information. DCBA intends to continue these visits during the crucial first year of implementation.

#### **Public Inquiries:**

Currently, DCBA has received approximately 1,116 public inquiries concerning a variety of questions about the new minimum wage ordinances. Approximately 81% of these inquiries requested information only, 10% were referred to the appropriate jurisdictional authority, and 8% were opened as investigations.

#### **Investigations:**

To date, DCBA has initiated nine investigations involving five businesses and 1,624 employees. DCBA completed two investigations resulting in the repayment of \$6,328.11 in back wages to employees.



**Enforcement Challenges**

Educating the Business Community:

The County of Los Angeles has approximately 15,000 businesses subject to the minimum wage ordinances. DCBA faces a challenge to ensure that all 15,000 businesses are aware of the requirements. DCBA will continue to conduct proactive compliance visits and work extensively with business associations to educate employers.

Educating Workers:

DCBA also faces a challenge in ensuring that all workers are aware of the new minimum wage. Several jurisdictions within the County have increased the minimum wage and workers are confused about which wage applies to them. DCBA and the CBOs will expand outreach efforts over the next quarter to inform and educate workers about their rights under the new laws.

**Questions:**

If you have any questions or need additional information, please contact me at your earliest convenience at (213) 974-9750 or via e-mail at [bstiger@dcba.lacounty.gov](mailto:bstiger@dcba.lacounty.gov).

c:     Executive Office, Board of Supervisors  
         Chief Executive Office  
         County Counsel